MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2017 / 2018 SESSION

DOT5018 – ORGANISATIONAL THEORY

(For Diploma Students Only)

11 OCTOBER 2017
2.30 p.m - 4.30 p.m
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of **12** pages with 2 sections.
2. For section A, shade your answers on the OMR sheet provided.
3. For section B, write your answers on the answer booklet provided.

SECTION A: MULTIPLE CHOICE QUESTIONS (each question carries 1 mark). Answers for this section should be shaded on the OMR sheet provided.

1. Which of the following is an output created by an organisation?

   A. Capital.
   B. Competitors.
   C. Machinery.
   D. Salaries.

2. _____ determines how much value is created at the conversion stage.

   A. The way an organisation chooses and obtains the inputs it needs to produce goods and services from its environment
   B. The method used by an organisation to sell its products or services to the customers
   C. The feedback received by an organisation from its customers about its products or services
   D. The way an organisation uses human resources and technology to transform inputs into outputs

3. Which of the following statements is **TRUE** regarding organisational design?

   A. An organisational design once formed remains constant throughout the life of the organisation.
   B. Every organisation must identify the single perfect design that fits its needs and then implement it.
   C. Once an organisational design is in place, it hinders the process of organisational change.
   D. Organisational design deals with structure and culture of the organisation.

4. _____ costs are the costs associated with negotiating, monitoring, and governing exchanges between people.

   A. Historical
   B. Sunk
   C. Transaction
   D. Opportunity

5. Which of the following terms refers to the study of how organisations function and how they affect and are affected by the environment in which they operate?

   A. Organisational behaviour.
   B. Organisational theory.
   C. Organisational culture.
   D. Organisational environment.

Continued...

6. Which of the following terms refers to the specific pattern of decisions and actions that managers take to use core competences to achieve a competitive advantage and outperform competitors?

   A. Strategy.
   B. Value chain.
   C. Organisational design.
   D. Histogram.

7. The _____ approach allows managers to evaluate the organisation's ability to secure, manage, and control scarce and valued skills and resources.

   A. external resource
   B. internal systems
   C. technical
   D. transaction

8. Coca-Cola takes pride in a long-term commitment to employees; Pepsi is very political and competitive. These are differences in organisational _____.

   A. culture
   B. structure
   C. environment
   D. design

9. Which of the following employees would be considered to have a line role?

   A. Sales manager.
   B. Executive vice president of finance.
   C. R&D director.
   D. Vice president of production.

10. _____ are the owners of an organisation, and, as such, their claim on organisational resources is often considered superior to the claims of other inside stakeholders.

    A. Employees
    B. Customers
    C. Shareholders
    D. Trade unions

Continued...

11. Which of the following is an inside stakeholder group?

A. Government.
B. Customers.
C. Suppliers.
D. Employees.

12. In effect, _____ are the agents or employees of shareholders.

A. suppliers
B. customers
C. managers
D. unions

13. To be effective, an organisation must _____.

A. satisfy interests of all the stakeholders equally
B. consider employees as the most important stakeholder group and give priority to their interests over the interests of all the other stakeholders
C. at least minimally satisfy the interests of all the stakeholders
D. consider customers as the most important stakeholder group and give priority to their interests over the interests of all the other stakeholders

14. Which of the following terms **BEST** describes the system of hierarchical reporting relationships in an organisation?

A. Line of control.
B. Span of authority.
C. Matrix of hierarchy.
D. Chain of command.

15. Which of the following organisational positions is a part of an organisation's corporate management team?

A. Functional manager.
B. Executive vice president.
C. Divisional manager.
D. Board of Directors.

Continued...

16. A manager decides to locate a manufacturing plant in a location that maximises the overall benefits to the stakeholders. Which model of ethics is being used by the manager?

A. Justice.
B. Moral rights.
C. Utilitarian.
D. Mutual association.

17. The specific environment consists of forces from _____.

A. outside stakeholder groups that directly affect an organisation's ability to secure resources
B. inside stakeholder groups that directly affect an organisation's structure
C. general environment that directly affect an organisation's human resource practices
D. inside stakeholder groups that directly affect an organisation's competitive strategies

18. Which of the following terms refers to the strength, number, and interconnectedness of the specific and general forces that an organisation has to manage?

A. Environmental complexity.
B. Environmental dynamism.
C. Environmental richness.
D. Environmental naturalness.

19. Which of the following statements is definitely **TRUE** regarding environmental dynamism?

A. As a company decreases the number of suppliers, its environmental dynamism increases.
B. A company can reduce its environmental dynamism by selecting a decentralised organisational structure.
C. When a company enters into a foreign market, the dynamism of its environment increases.
D. Environmental dynamism and environmental richness are directly proportional to each other.

20. According to the _____, an organisation should minimise its dependence on other organisations for resources and find ways of influencing them to make resources available.

A. organisational theory
B. resource dependence theory
C. contingency theory
D. group theory

Continued...

21. _____ interdependencies exist between an organisation and its suppliers.

A. Competitive
B. Symbiotic
C. Distributive
D. Convolutional

22. A _____ is an agreement that commits two or more companies to share their resources to develop joint new business opportunities.

A. cartel
B. strategic alliance
C. licensing agreement
D. collusion

23. Which of the following is the least formal and the least direct way to manage symbiotic interdependencies with suppliers and customers?

A. Merger.
B. Developing reputation.
C. Cooptation.
D. Minority ownership.

24. A _____ is a secret agreement among competitors to share information for a deceitful or illegal purpose.

A. joint venture
B. collusion
C. strategic alliance
D. cartel

25. Internal transaction costs are called _____ costs to distinguish them from the transaction costs of exchanges between organisations in the environment.

A. historic
B. sunk
C. opportunity
D. bureaucratic

Continued...

26. Which of the following statements is **TRUE** regarding non-programmed decision-making?

A. Non-programmed decision-making is performed with the help of standard operating procedures.
B. Non-programmed decision-making involves selecting the most effective—easy, repetitive, and routine—operating procedures to handle an organisation's ongoing value-creation activities.
C. Non-programmed decision-making forces managers to rely on judgment, intuition, and creativity to solve organisational problems.
D. Non-programmed decision-making requires much less search for information to find solutions than does programmed decision-making.

27. Which of the following statements is **TRUE** regarding the Carnegie model?

A. The Carnegie model ignores the variation in managers' preferences and values and assumes different managers will evaluate different alternatives in the same way.
B. The Carnegie model offers a less accurate description of how decision-making takes place in an organisation than does the rational model.
C. The Carnegie model recognises that decision-making takes place in an uncertain environment where information is often incomplete and ambiguous.
D. The Carnegie model assumes that managers generate the full range of possible alternatives before making decisions.

28. Which of the following decision-making models explains why and how managers can improve their programmed decision-making over time?

A. Carnegie model.
B. Rational model.
C. Unstructured model.
D. Incrementalist model.

29. The garbage-can approach to organisational decision-making is clearly the opposite of the approach described by the _____ model.

A. rational
B. unstructured
C. carnegie
D. incremental

Continued...

30. Which of the following organisational learning strategies, proposed by James March, involves organisational members learning ways to refine and improve existing organisational activities and procedures to increase effectiveness?

A. Exploration.
B. Association.
C. Exploitation.
D. Reciprocation.

31. The design of a(n) _____ structure facilitates exploitative learning.

A. organic
B. product team
C. mechanistic
D. matrix

32. A manager at an automobile plant had two suppliers that delivered defective parts. She now thinks that all suppliers are unreliable. Which of the following cognitive biases is being experienced by this manager?

A. Escalation of commitment.
B. Projection.
C. Representativeness.
D. Illusion of control.

33. _____ is a cognitive bias that causes managers to overestimate the extent to which they can manipulate the outcomes of an action.

A. Representativeness
B. Illusion of control
C. Frequency
D. Ego-defensiveness

34. Which of the following statements is most likely to be **TRUE** regarding copyrights?

A. Copyrights are typically used for protecting new drugs invented by pharmaceutical companies.
B. Copyrights last for much longer periods than patents.
C. Copyrights are typically used for protecting names, symbols, and logos associated with a product.
D. Copyrights are valid for a period of 30 years from the date it is issued.

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35. Which of the following statements is most likely to be **TRUE** regarding the mature stage of a product life cycle?

A. In a product life cycle, the mature stage comes immediately after the embryonic stage.
B. A product in the maturity stage has yet to gain widespread acceptance because the consumers are unsure about the value proposition offered by the product.
C. During the mature stage, demand for a product is typically replacement demand because incremental innovation has resulted in a new generation of the product.
D. In a product life cycle, the mature stage is followed by the embryonic stage.

36. _____ takes place during the second stage of a stage-gate development funnel?

A. The product development proposal is reviewed in terms of its fit with the goals and strategies of the organisation
B. A senior management committee reviews the new product development plan
C. Organisational resources are allocated for developing a prototype of the product
D. A cross-functional team of managers is formed to develop a detailed plan for product development

37. _____ is **MOST** suitable for managing innovation in high-tech organisations?

A. Functional structure
B. Market structure
C. Product team structure
D. Geographic structure

38. Which of the following statements is **TRUE** regarding heavyweight team leaders?

A. Heavyweight team leaders often function as product champions.
B. Heavyweight team leaders are not given control over human, financial, and functional resources.
C. As compared to a lightweight team leader, a heavyweight team leader has less ability to assemble a cross-functional team with the skills needed to develop a successful new product.
D. Heavyweight team leaders can acquire resources only after they have obtained a permission from the appropriate functional heads and they cannot override the wishes of the functional heads.

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39. Which of the following is most likely to help an organisation align the interests of their talented employees with those of the organisation?

A. Mechanistic organisational structure.
B. Strong property rights.
C. Centralised decision-making authority.
D. A tall organisational hierarchy.

40. Which of the following terms best represents the knowledge building created when two or more individuals or subunits pool their resources and collaborate across role or subunit boundaries?

A. Technical discontinuities.
B. Economies of scale.
C. Information synergies.
D. Economies of scope.

41. Interacting with individuals and groups outside the organisation to obtain valuable information and knowledge from the environment is known as a _____ activity.

A. reciprocal logrolling
B. business process reengineering
C. vale engineering
D. boundary-spanning

42. In which of the following situations is the potential for conflict is highest in an organisation?

A. The organisation has low vertical and horizontal differentiation.
B. Subunits in the organisation are highly interdependent.
C. Resources are assigned to subunits by top-management so there is no competition among subunits for resources.
D. Subunits in the organisation have similar goals.

43. In Pondy's model of organisational conflict, which of the following stages comes immediately after "latent conflict"?

A. Felt conflict.
B. Perceived conflict.
C. Manifest conflict.
D. Conflict aftermath.

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44. A manager obtains an assignment that brings him into contact with many managers and many functions so that he can obtain information that can be used to make him and his function non-substitutable. Which of the following political tactics is being used by this manager?

A. Using unobtrusive power.
B. Creating a coalition.
C. Controlling the agenda.
D. Increasing centrality.

45. Organisational politics consists of activities taken within organisations to _____.

A. decentralise the decision-making authority
B. improve the ability of the organisation to innovate
C. acquire, develop, and use power
D. implement total quality management

46. Which of the following is most likely to determine the kind of decisions that will be selected to resolve an organisational conflict?

A. Standard practices followed in the industry in which the organisation operates.
B. Possession of organisational power.
C. The marketing strategy followed by the organisation.
D. The performance evaluation procedures used by the organisation.

47. Which of the following statements about authority is **TRUE**?

A. When authority is centralised, there is generally more scope for people to engage in behaviours aimed at gaining power.
B. Once the authority is decentralised to a subordinate by a manager, then the manager does not bear the consequences of the subordinate's failure.
C. When authority is centralised in an organisation, employees take more responsibilities and are more likely to initiate new actions.
D. Decentralising authority to a subordinate does not necessarily reduce a manager's authority.

48. The power possessed by a set of managers who form a "partnership" and use their combined power secretively to influence the decision-making process in ways that favour their interests is called _____ power.

A. referent
B. unobtrusive
C. expert
D. non-substitutable

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49. Jie Qi works for a manufacturing plant that has been under pressure to reduce pollution. Jie Qi increased her knowledge of environmental laws in order to help the company follow waste disposal laws. Which of the following political tactics is being used by Jie Qi?

A. Co-optation.
B. Increasing control over resources.
C. Increasing non-substitutability.
D. Controlling the agenda.

50. A coalition is _____.

A. often built around trade-offs
B. a task relationship
C. a way to delegate authority
D. formed to decrease centrality

[TOTAL 50 MARKS]

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SECTION B: STRUCTURED QUESTIONS.

Answer ALL questions. Answers should be written on the answer booklet provided.

QUESTION 1

a. Explain any **THREE (3)** types of functions that exist within an organisation. (6 marks)

b. Distinguish between "institutionalised role orientation" and "individualised role orientation". (4 marks)

QUESTION 2

a. List and explain the **THREE (3)** types of business level strategy. (6 marks)

b. Describe the following strategies:
   i. Multidomestic strategy
   ii. International strategy (4 marks)

QUESTION 3

a. Justify the **FOUR (4)** types of technology introduced by Charles Perrow. (8 marks)

b. What is computer-aided design (CAD)? (2 marks)

QUESTION 4

a. State any **TWO (2)** forces for change and **THREE (3)** resistances to change for organisational level. (5 marks)

b. Name the **FIVE (5)** steps in action research. (5 marks)

QUESTION 5

Organisation facing rapid change in the business environment resulted some organisational decline. As a manager you need to beware of the organisational decline so that you are able to take prompt respond to stop the decline. Kindly explain the **FIVE (5)** stages of Weitzel and Jonsson's model of organisational decline. (10 marks)

[TOTAL 50 MARKS]

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